

I. Takoma Park Residents' Committee on Tax and Service Duplication Issues

1. Meeting Minutes

2. November 10, 2004

A. Opening

The inaugural committee meeting was scheduled for 7 pm to 8:30 pm at Columbia Union College's Wilkinson Hall. City staff provided various handouts including a committee roster, copy of the establishing council resolution, a report by former City Manager Rick Finn, and other documentation.

Present were committee members Bruce Baker, Dan Beckley, Kathy Berst, Colleen Clay, Nancy Cohen, John Conger, Hank Cox, Seth Grimes, Andy Kelemen, Howard Kohn, Karen Mendez, Larry Mishel, Bruce Moyer, Richard Payne, Dan Robinson, Joyce Seamens, Mary Stover; City Manager Barb Matthews, Community and Government Liaison Suzanne Ludlow; and City Council Member Terry Seamens.

Committee members introduced themselves.

B. Discussion of a citizens' survey and the committee's mandate and goals and operations

Barb Matthews presented a review of the committee's charge, distributing an excerpt from City Council Resolution 2004-50, which established the committee and appointed members.

Suzanne Ludlow spoke about the survey of citizens agreed by the council last spring, that a firm was selected and that the survey would get underway soon. Barb added that the survey would study service satisfaction and priorities. Discussion of the survey and the committee's mandate and goals and operations followed.

- II. Seth Grimes expressed concern about the timing of the survey in light of existing and pending funding and program commitments, that it has been overtaken by event.
- III. In response to Hank Cox's question about sample size, Suzanne said that the city has an address list and would look at it for sampling purposes ward-by-ward, aiming for 95% significance.
- IC. In response to Nancy Cohen's question whether the committee would cover only duplicated services, Barb and Suzanne responded no.
- ç. Richard Payne asked whether the city would solicit feedback from other jurisdictions on their surveys and Suzanne responded no. Larry Mishel said that it would be good to have this information if it can be gotten and Seth said that we need a good “yardstick” for evaluations and also mentioned the possibility of contacting Hyattsville Council Member Chris Currie regarding the survey Hyattsville, a comparable jurisdiction, conducted earlier this year.
- çI. John Conger noted that a large part of the committee's charge is communications to which Barb responded that the educational component is important. John asked what would be the most useful committee product and whether the city is looking for recommendations. Barb responded that it will be highly useful to have a core group of knowledgeable citizens and having a separate set of eyes looking at the tax and service problems. She said that the city is looking for recommendations and that a key committee product will be a report to the council.
- çII. Council Member Terry Seamens said that the council left the mandate purposely vague so that the committee could organize itself and decide on products and outcomes. He noted that he had sent e-mail on his own expectations.
- çIII. Hank Cox stated that in the provided materials, there's a correct assumption that the county doesn't give the city the appropriate amount of money. He looked for exact figures and has done a chart of the figures over the years. He does see a strange increase; Suzanne said this may involve the police rebate and that she will look into the figures.
- IE. Bruce Moyer said that he senses a two-fold responsibility: 1) retrospective and prospective, looking at the affordability and value of services, and 2) strategy development including by looking at the situation in other cities and in state law.
- E. Hank asked, are we here because of city fiscal problems? to which Barb responded, no, that the city is in sound financial shape with the goal to stay that way, noting that there has been some dipping into reserves and there will be tough decisions ahead.

ΞI. Larry Mishel asked about the level of reserves and the portion of that money that is unrestricted. Barb stated that the level of reserves totals about \$2.65 million with about \$700 thousand identified as undesignated reserves.

ΞII. Dan Robinson noted that the city had issued a \$2 million bond for community-center construction two years ago, borrowed \$2 million for road repairs earlier this year, and is now proposing to borrow additional money for the community center. [He posed a question relating this borrowing to the city's financial picture and taxes.] Suzanne stated that the council bases annual property-tax rates on a constant-yield rate. Seth noted that rent-control and the inability of landlords to pass on the cost of property-tax increases to tenants means that city revenue collection is not evenly distributed among citizens.

A. Committee mechanics

Barb provided a schedule of meetings through January. The next meeting, November 17, will be televised and include a county representative and a speaker from the Maryland Municipal League.

There was discussion of the days of the week that are best for committee meetings. Terry said that the committee may choose to create subcommittees and Barb mentioned that other individuals had been interested in joining the committee and may wish to take part.

B. Documentation and rebate review

Suzanne reviewed the materials that had been provided to committee members.

- ΞIII. She stated that county “rebates” to the city cover not only property-tax funded services, that county council members want to study the formulas by which rebates are computed and cut the transfer amounts. County Councilmember Mike Subin generally favors municipalities given a Gaithersburg connection. In response to a question from Seth, Suzanne said that Nancy Floreen, former Garrett Park mayor, is not generally sympathetic to county municipalities.
- ΞIϙ. Barb said that the Montgomery County chapter of the Maryland Municipal League thinks municipalities should be working together better. John Conger noted that 100,000 people in Maryland live in cities [excluding Baltimore].
- Ξϙ. Barb said that county capital budgets are excluded from rebate formulas, depressing the rebated amounts. Suzanne noted that the city has received money outside the rebates and said that any strategy change should not jeopardize this. Terry noted that the library funding from the county is not a rebate.
- ΞϙI. Andy Kelemen said that the lack of arbitration of rebate-formula disagreement is an issue.
- ΞϙII. Suzanne said that the city could give up certain services such as police to the county but that the city owns roads and the county would not take on their upkeep. She is working to get the city council a list of city services that will cover service levels. Larry asked what services Takoma Park provides that the county does not and Dan Beckley asked if monetary figures will be listed. Suzanne said her list will cover these areas. Barb said that the committee could recommend services to reduce and Mary Stover asked for details on services that can and can't be dropped. Richard asked if the committee should limit itself to looking at services.
- ΞϙIII. Bruce Moyer asked if there are any reviews or analyses by outside consortia on these issues, if there are any analogues that we can point to.
- ΞIE. Bruce Baker wanted to know about the city's discretion on raising revenues [that is, I believe, what mechanisms and revenue sources may be tapped.] He would like to see the state's statute establishing the rebates. John asked if we rebates would be reduced if corresponding services are scaled back. Dan Robinson thought there would be legal hurdles to redrawing the map at the state level for city purchase of services from the county.
- ΞE. Bruce Moyer asked about getting a chart showing the size of the rebate and percentage [of costs it cover]. Terry suggested providing a copy of the city budget for everyone. Barb said staff would provide a summary and that people can get the full budget on-line.
- ΞEI. Larry said that he would like to know more about the financial status of the city and Barb said she can put together information covering the last five years of so.

Minutes prepared by: Seth Grimes